

EXHIBIT 3



CITY OF HOUSTON

Department Name

Annise D. Parker

Mayor

David M. Feldman
City Attorney
P.O. Box 368
Houston, Texas 77001-0368
City Hall Annex
900 Bagby, 4th Floor

T. 832.393.6491
F. 832.393.6259
www.houstontx.gov

November 15, 2010

Via facsimile (480-607-0901)
Mr. James D. Tuton, President
American Traffic Solutions, Inc.
7681 E. Gray Road
Scottsdale, Arizona 85254

Re: Notice of Immediate Termination of Contract #C62248

Contract #C62248, dated June 28, 2006, approved by City of Houston Ordinance No. 2006-567, as amended on May 29, 2009, approved by City of Houston Ordinance No. 2009-461, between the City of Houston, Texas [Houston] and American Traffic Solutions, Inc., [ATS] for "Photo Red Light Camera Enforcement System and Services" [referred to jointly herein as the Contract].

Dear Mr. Tuton,

At 10:00 a.m. this morning, November 15, 2010, Houston's City Council canvassed the results of the special election held on November 2, 2010. Council has now confirmed that a majority of Houston's registered voters answered "NO" to the question posed in Proposition 3. The ballot language of Proposition 3 was: "Shall the City of Houston continue to use red light cameras to enforce state or local laws relating to traffic safety?" This vote served to amend the City's Charter to prohibit the use of red light cameras to enforce state and local traffic laws.

Red-light cameras are effective safety tools that change behaviors and save lives. But, while Houston has benefited from use of the red-light cameras, as evidenced by a reduction in serious accidents at many intersections where the cameras have been utilized, the voting public has spoken. Houston must follow the mandate of the electorate. Houston hereby terminates its Contract with ATS. This termination is effective immediately. ATS is required to turn off all red-light cameras installed and/or monitored by reason of the Contract and ATS is to do so immediately. Further, no violations recorded subsequent to 10:00 a.m. (CDT), November 15, 2010, are to be processed.

Very truly yours,

David M. Feldman,
City Attorney

cc: Mayor Annise Parker

Council Members: Brenda Stardig Jarvis Johnson Anne Clutterbuck Wanda Adams Mike Sullivan Al Hoang Oliver Pennington Edward Gonzalez James G. Rodriguez Stephen C. Costello Sue Lovell Melissa Noriega C.O. "Brad" Bradford Jolanda "Jo" Jones Controller: Ronald C. Green

EXHIBIT

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